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**SUBSTITUTE SENATE BILL 5762**

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**State of Washington                      60th Legislature                      2007 Regular Session**

**By** Senate Committee on Economic Development, Trade & Management  
(originally sponsored by Senators Kilmer, Kastama, Clements,  
Kauffman, Pridemore, Rasmussen, Shin and McAuliffe)

READ FIRST TIME 02/23/07.

1            AN ACT Relating to dedicated funding for jobs, economic  
2 development, and local capital projects; amending RCW 43.160.020,  
3 43.160.030, 43.160.050, 43.160.060, 43.160.070, 43.160.900, 43.160.085,  
4 82.45.060, and 43.160.080; amending 2005 c 425 s 6 (uncodified);  
5 amending 2006 c 371 s 238 (uncodified); reenacting and amending RCW  
6 43.160.010 and 43.160.076; adding a new section to chapter 43.162 RCW;  
7 creating a new section; repealing RCW 43.160.100, 43.160.120,  
8 43.160.130, 43.160.140, 43.160.150, 43.160.160, 43.160.170, 43.160.200,  
9 43.160.210, and 43.160.220; providing an effective date; and providing  
10 an expiration date.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

12            NEW SECTION. **Sec. 1.** The legislature recognizes that state  
13 investment in public infrastructure is a contributor to the economic  
14 development of Washington state by encouraging private investment and  
15 the creation and retention of high-wage jobs. The legislature finds  
16 that providing dedicated funding for various programs in chapter 43.160  
17 RCW will lead to greater certainty in economic development decisions  
18 and further encourage private investment. The legislature further

1 finds that removing outdated and obsolete language from chapter 43.160  
2 RCW will streamline and enhance the understanding of program  
3 requirements.

4 **Sec. 2.** RCW 43.160.010 and 1999 c 164 s 101 and 1999 c 94 s 5 are  
5 each reenacted and amended to read as follows:

6 (1) The legislature finds that it is the public policy of the state  
7 of Washington to direct financial resources toward the fostering of  
8 economic development through the stimulation of investment and job  
9 opportunities and the retention of sustainable existing employment for  
10 the general welfare of the inhabitants of the state. Reducing  
11 unemployment and reducing the time citizens remain jobless is important  
12 for the economic welfare of the state. A valuable means of fostering  
13 economic development is the construction of public facilities which  
14 contribute to the stability and growth of the state's economic base.  
15 (~~Strengthening the economic base through issuance of industrial~~  
16 ~~development bonds, whether single or umbrella, further serves to reduce~~  
17 ~~unemployment. Consolidating issues of industrial development bonds~~  
18 ~~when feasible to reduce costs additionally advances the state's purpose~~  
19 ~~to improve economic vitality.)) Expenditures made for these purposes  
20 as authorized in this chapter are declared to be in the public  
21 interest, and constitute a proper use of public funds. A community  
22 economic revitalization board is needed which shall aid the development  
23 of economic opportunities. The general objectives of the board should  
24 include:~~

25 (a) Strengthening the economies of areas of the state which have  
26 experienced or are expected to experience chronically high unemployment  
27 rates or below average growth in their economies;

28 (b) Encouraging the diversification of the economies of the state  
29 and regions within the state in order to provide greater seasonal and  
30 cyclical stability of income and employment;

31 (c) Encouraging wider access to financial resources for both large  
32 and small industrial development projects;

33 (d) Encouraging new economic development or expansions to maximize  
34 employment;

35 (e) Encouraging the retention of viable existing firms and  
36 employment; and

1 (f) Providing incentives for expansion of employment opportunities  
2 for groups of state residents that have been less successful relative  
3 to other groups in efforts to gain permanent employment.

4 (2) The legislature also finds that the state's economic  
5 development efforts can be enhanced by, in certain instances, providing  
6 funds to improve state highways, county roads, or city streets for  
7 industries considering locating or expanding in this state.

8 (a) The legislature finds it desirable to provide a process whereby  
9 the need for diverse public works improvements necessitated by planned  
10 economic development can be addressed in a timely fashion and with  
11 coordination among all responsible governmental entities.

12 (b) All transportation improvements on state highways must first be  
13 approved by the state transportation commission and the community  
14 economic revitalization board in accordance with the procedures  
15 established by RCW 43.160.074 and 47.01.280.

16 (3) The legislature also finds that the state's economic  
17 development efforts can be enhanced by, in certain instances, providing  
18 funds to assist development of telecommunications infrastructure that  
19 supports business development, retention, and expansion in (~~rural~~  
20 ~~natural resources impact areas and rural counties of~~) the state.

21 (4) The legislature also finds that the state's economic  
22 development efforts can be enhanced by providing funds to improve  
23 markets for those recyclable materials representing a large fraction of  
24 the waste stream. The legislature finds that public facilities which  
25 result in private construction of processing or remanufacturing  
26 facilities for recyclable materials are eligible for consideration from  
27 the board.

28 (5) The legislature finds that sharing economic growth statewide is  
29 important to the welfare of the state. (~~Rural counties and rural~~  
30 ~~natural resources impact areas do not share in the economic vitality of~~  
31 ~~the Puget Sound region.~~) The ability of (~~these~~) communities to  
32 pursue business and job retention, expansion, and development  
33 opportunities depends on their capacity to ready necessary economic  
34 development project plans, sites, permits, and infrastructure for  
35 private investments. Project-specific planning, predevelopment, and  
36 infrastructure are critical ingredients for economic development.  
37 (~~Rural counties and rural natural resources impact areas generally~~  
38 ~~lack these necessary tools and resources to diversify and revitalize~~

1 ~~their economies.~~) It is, therefore, the intent of the legislature to  
2 increase the amount of funding available through the community economic  
3 revitalization board (~~for rural counties and rural natural resources~~  
4 ~~impact areas,~~) and to authorize flexibility for available resources in  
5 these areas to help fund planning, predevelopment, and construction  
6 costs of infrastructure and facilities and sites that foster economic  
7 vitality and diversification.

8 **Sec. 3.** RCW 43.160.020 and 2004 c 252 s 1 are each amended to read  
9 as follows:

10 Unless the context clearly requires otherwise, the definitions in  
11 this section apply throughout this chapter.

12 (1) "Board" means the community economic revitalization board.

13 (2) (~~"Bond" means any bond, note, debenture, interim certificate,~~  
14 ~~or other evidence of financial indebtedness issued by the board~~  
15 ~~pursuant to this chapter.~~

16 ~~(3))~~ "Department" means the department of community, trade, and  
17 economic development.

18 (~~(4) "Financial institution" means any bank, savings and loan~~  
19 ~~association, credit union, development credit corporation, insurance~~  
20 ~~company, investment company, trust company, savings institution, or~~  
21 ~~other financial institution approved by the board and maintaining an~~  
22 ~~office in the state.~~

23 ~~(5) "Industrial development facilities" means "industrial~~  
24 ~~development facilities" as defined in RCW 39.84.020.~~

25 ~~(6) "Industrial development revenue bonds" means tax exempt revenue~~  
26 ~~bonds used to fund industrial development facilities.~~

27 ~~(7))~~ (3) "Local government" or "political subdivision" means any  
28 port district, county, city, town, special purpose district, and any  
29 other municipal corporations or quasi-municipal corporations in the  
30 state providing for public facilities under this chapter.

31 (~~(8) "Sponsor" means any of the following entities which~~  
32 ~~customarily provide service or otherwise aid in industrial or other~~  
33 ~~financing and are approved as a sponsor by the board: A bank, trust~~  
34 ~~company, savings bank, investment bank, national banking association,~~  
35 ~~savings and loan association, building and loan association, credit~~  
36 ~~union, insurance company, or any other financial institution,~~

1 governmental agency, or holding company of any entity specified in this  
2 subsection.

3 ~~(9) "Umbrella bonds" means industrial development revenue bonds~~  
4 ~~from which the proceeds are loaned, transferred, or otherwise made~~  
5 ~~available to two or more users under this chapter.~~

6 ~~(10) "User" means one or more persons acting as lessee, purchaser,~~  
7 ~~mortgagor, or borrower under a financing document and receiving or~~  
8 ~~applying to receive revenues from bonds issued under this chapter.~~

9 ~~(11))~~ (4) "Public facilities" means a project of a local  
10 government or a federally recognized Indian tribe for the planning,  
11 acquisition, construction, repair, reconstruction, replacement,  
12 rehabilitation, or improvement of bridges, roads, domestic and  
13 industrial water, earth stabilization, sanitary sewer, storm sewer,  
14 railroad, electricity, telecommunications, transportation, natural gas,  
15 buildings or structures, and port facilities, all for the purpose of  
16 job creation, job retention, or job expansion.

17 ~~((12))~~ (5) "Rural county" ~~((means a county with a population~~  
18 ~~density of fewer than one hundred persons per square mile as determined~~  
19 ~~by the office of financial management))~~ has the same meaning as in RCW  
20 82.14.370.

21 ~~((13) "Rural natural resources impact area" means:~~

22 ~~(a) A nonmetropolitan county, as defined by the 1990 decennial~~  
23 ~~census, that meets three of the five criteria set forth in subsection~~  
24 ~~(14) of this section;~~

25 ~~(b) A nonmetropolitan county with a population of less than forty~~  
26 ~~thousand in the 1990 decennial census, that meets two of the five~~  
27 ~~criteria as set forth in subsection (14) of this section; or~~

28 ~~(c) A nonurbanized area, as defined by the 1990 decennial census,~~  
29 ~~that is located in a metropolitan county that meets three of the five~~  
30 ~~criteria set forth in subsection (14) of this section.~~

31 ~~(14) For the purposes of designating rural natural resources impact~~  
32 ~~areas, the following criteria shall be considered:~~

33 ~~(a) A lumber and wood products employment location quotient at or~~  
34 ~~above the state average;~~

35 ~~(b) A commercial salmon fishing employment location quotient at or~~  
36 ~~above the state average;~~

37 ~~(c) Projected or actual direct lumber and wood products job losses~~  
38 ~~of one hundred positions or more;~~

1 ~~(d) Projected or actual direct commercial salmon fishing job losses~~  
2 ~~of one hundred positions or more; and~~

3 ~~(e) An unemployment rate twenty percent or more above the state~~  
4 ~~average. The counties that meet these criteria shall be determined by~~  
5 ~~the employment security department for the most recent year for which~~  
6 ~~data is available. For the purposes of administration of programs~~  
7 ~~under this chapter, the United States post office five digit zip code~~  
8 ~~delivery areas will be used to determine residence status for~~  
9 ~~eligibility purposes. For the purpose of this definition, a zip code~~  
10 ~~delivery area of which any part is ten miles or more from an urbanized~~  
11 ~~area is considered nonurbanized. A zip code totally surrounded by zip~~  
12 ~~codes qualifying as nonurbanized under this definition is also~~  
13 ~~considered nonurbanized. The office of financial management shall make~~  
14 ~~available a zip code listing of the areas to all agencies and~~  
15 ~~organizations providing services under this chapter.)~~

16 **Sec. 4.** RCW 43.160.030 and 2004 c 252 s 2 are each amended to read  
17 as follows:

18 (1) The community economic revitalization board is hereby created  
19 to exercise the powers granted under this chapter.

20 (2) The board shall consist of one member from each of the two  
21 major caucuses of the house of representatives to be appointed by the  
22 speaker of the house and one member from each of the two major caucuses  
23 of the senate to be appointed by the president of the senate. The  
24 board shall also consist of the following members appointed by the  
25 governor: A recognized private or public sector economist; one port  
26 district official; one county official; one city official; one  
27 representative of a federally recognized Indian tribe; one  
28 representative of the public; one representative of small businesses  
29 each from: (a) The area west of Puget Sound, (b) the area east of  
30 Puget Sound and west of the Cascade range, (c) the area east of the  
31 Cascade range and west of the Columbia river, and (d) the area east of  
32 the Columbia river; one executive from large businesses each from the  
33 area west of the Cascades and the area east of the Cascades. The  
34 appointive members shall initially be appointed to terms as follows:  
35 Three members for one-year terms, three members for two-year terms, and  
36 three members for three-year terms which shall include the chair.  
37 Thereafter each succeeding term shall be for three years. The chair of

1 the board shall be selected by the governor. The members of the board  
2 shall elect one of their members to serve as vice-chair. The director  
3 of community, trade, and economic development, the director of revenue,  
4 the commissioner of employment security, and the secretary of  
5 transportation shall serve as nonvoting advisory members of the board.

6 (3) Management services, including fiscal and contract services,  
7 shall be provided by the department to assist the board in implementing  
8 this chapter (~~and the allocation of private activity bonds~~).

9 (4) Members of the board shall be reimbursed for travel expenses as  
10 provided in RCW 43.03.050 and 43.03.060.

11 (5) If a vacancy occurs by death, resignation, or otherwise of  
12 appointive members of the board, the governor shall fill the same for  
13 the unexpired term. Members of the board may be removed for  
14 malfeasance or misfeasance in office, upon specific written charges by  
15 the governor, under chapter 34.05 RCW.

16 (6) A member appointed by the governor may not be absent from more  
17 than fifty percent of the regularly scheduled meetings in any one  
18 calendar year. Any member who exceeds this absence limitation is  
19 deemed to have withdrawn from the office and may be replaced by the  
20 governor.

21 **Sec. 5.** RCW 43.160.050 and 1996 c 51 s 4 are each amended to read  
22 as follows:

23 The board may:

24 (1) Adopt bylaws for the regulation of its affairs and the conduct  
25 of its business.

26 (2) Adopt an official seal and alter the seal at its pleasure.

27 (3) Utilize the services of other governmental agencies.

28 (4) Accept from any federal agency loans or grants for the planning  
29 or financing of any project and enter into an agreement with the agency  
30 respecting the loans or grants.

31 (5) Conduct examinations and investigations and take testimony at  
32 public hearings of any matter material for its information that will  
33 assist in determinations related to the exercise of the board's lawful  
34 powers.

35 (6) Accept any gifts, grants, or loans of funds, property, or  
36 financial or other aid in any form from any other source on any terms  
37 and conditions which are not in conflict with this chapter.

1 (7) Exercise all the powers of a public corporation under chapter  
2 39.84 RCW.

3 ~~(8) ((Invest any funds received in connection with industrial~~  
4 ~~development revenue bond financing not required for immediate use, as~~  
5 ~~the board considers appropriate, subject to any agreements with owners~~  
6 ~~of bonds.~~

7 ~~(9) Arrange for lines of credit for industrial development revenue~~  
8 ~~bonds from and enter into participation agreements with any financial~~  
9 ~~institution.~~

10 ~~(10) Issue industrial development revenue bonds in one or more~~  
11 ~~series for the purpose of defraying the cost of acquiring or improving~~  
12 ~~any industrial development facility or facilities and securing the~~  
13 ~~payment of the bonds as provided in this chapter.~~

14 ~~(11)) Enter into agreements or other transactions with and accept~~  
15 ~~grants and the cooperation of any governmental agency in furtherance of~~  
16 ~~this chapter.~~

17 ~~((12) Sell, purchase, or insure loans to finance the costs of~~  
18 ~~industrial development facilities.~~

19 ~~(13) Service, contract, and pay for the servicing of loans for~~  
20 ~~industrial development facilities.~~

21 ~~(14) Provide financial analysis and technical assistance for~~  
22 ~~industrial development facilities when the board reasonably considers~~  
23 ~~it appropriate.~~

24 ~~(15) Collect, with respect to industrial development revenue bonds,~~  
25 ~~reasonable interest, fees, and charges for making and servicing its~~  
26 ~~lease agreements, loan agreements, mortgage loans, notes, bonds,~~  
27 ~~commitments, and other evidences of indebtedness. Interest, fees, and~~  
28 ~~charges are limited to the amounts required to pay the costs of the~~  
29 ~~board, including operating and administrative expenses and reasonable~~  
30 ~~allowances for losses that may be incurred.~~

31 ~~(16) Procure insurance or guarantees from any party as allowable~~  
32 ~~under law, including a governmental agency, against any loss in~~  
33 ~~connection with its lease agreements, loan agreements, mortgage loans,~~  
34 ~~and other assets or property.~~

35 ~~(17))~~ (9) Adopt rules under chapter 34.05 RCW as necessary to  
36 carry out the purposes of this chapter.

37 ~~((18))~~ (10) Do all acts and things necessary or convenient to  
38 carry out the powers expressly granted or implied under this chapter.

1       **Sec. 6.** RCW 43.160.060 and 2004 c 252 s 3 are each amended to read  
2 as follows:

3       The board is authorized to make direct loans to political  
4 subdivisions of the state and to federally recognized Indian tribes for  
5 the purposes of assisting the political subdivisions and federally  
6 recognized Indian tribes in financing the cost of public facilities,  
7 including development of land and improvements for public facilities,  
8 project-specific environmental, capital facilities, land use,  
9 permitting, feasibility, and marketing studies and plans; project  
10 design, site planning, and analysis; project debt and revenue impact  
11 analysis; as well as the construction, rehabilitation, alteration,  
12 expansion, or improvement of the facilities. A grant may also be  
13 authorized for purposes designated in this chapter, but only when, and  
14 to the extent that, a loan is not reasonably possible, given the  
15 limited resources of the political subdivision or the federally  
16 recognized Indian tribe and the finding by the board that financial  
17 circumstances require grant assistance to enable the project to move  
18 forward. However, ~~((at least ten))~~ no more than twenty-five percent of  
19 all financial assistance ~~((provided))~~ approved by the board in any  
20 biennium ~~((shall))~~ may consist of grants to political subdivisions and  
21 federally recognized Indian tribes.

22       Application for funds shall be made in the form and manner as the  
23 board may prescribe. In making grants or loans the board shall conform  
24 to the following requirements:

25       (1) The board shall not provide financial assistance:

26       (a) For a project the primary purpose of which is to facilitate or  
27 promote a retail shopping development or expansion.

28       (b) For any project that evidence exists would result in a  
29 development or expansion that would displace existing jobs in any other  
30 community in the state.

31       (c) ~~((For the acquisition of real property, including buildings and  
32 other fixtures which are a part of real property.~~

33       ~~(d))~~ For a project the primary purpose of which is to facilitate  
34 or promote gambling.

35       (d) For a project located outside the jurisdiction of the applicant  
36 political subdivision or federally recognized Indian tribe.

37       (2) The board shall only provide financial assistance:

1           ~~(a) For ((those projects which would result in specific private~~  
2 ~~developments or expansions (i) in manufacturing, production, food~~  
3 ~~processing, assembly, warehousing, advanced technology, research and~~  
4 ~~development, and industrial distribution; (ii) for processing~~  
5 ~~recyclable materials or for facilities that support recycling,~~  
6 ~~including processes not currently provided in the state, including but~~  
7 ~~not limited to, de-inking facilities, mixed waste paper, plastics, yard~~  
8 ~~waste, and problem waste processing; (iii) for manufacturing facilities~~  
9 ~~that rely significantly on recyclable materials, including but not~~  
10 ~~limited to waste tires and mixed waste paper; (iv) which support the~~  
11 ~~relocation of businesses from nondistressed urban areas to rural~~  
12 ~~counties or rural natural resources impact areas; or (v) which~~  
13 ~~substantially support the trading of goods or services outside of the~~  
14 ~~state's borders.~~

15           ~~(b) For projects which it finds))~~ a project demonstrating  
16 convincing evidence that a specific private development or expansion is  
17 ready to occur and will occur only if the public facility improvement  
18 is made that:

19           (i) Results in private investment that is consistent with the state  
20 strategic plan and recommendations developed by the state economic  
21 development commission pursuant to chapter 43.162 RCW; and

22           (ii) Will improve the opportunities for the successful maintenance,  
23 establishment, or expansion of industrial or commercial plants or will  
24 otherwise assist in the creation or retention of long-term economic  
25 opportunities((-));

26           ~~((c) When the application includes convincing evidence that a~~  
27 ~~specific private development or expansion is ready to occur and will~~  
28 ~~occur only if the public facility improvement is made))~~ (b) For a  
29 project that cannot meet the requirement of (a) of this subsection but  
30 is a project that:

31           (i) Results in private investment that is consistent with the state  
32 strategic plan and recommendations developed by the state economic  
33 development commission pursuant to chapter 43.162 RCW;

34           (ii) Is part of a local economic development plan consistent with  
35 applicable state planning requirements;

36           (iii) Can demonstrate project feasibility using standard economic  
37 principles; and

38           (iv) Is located in a rural county;

1 (c) For a tourism project that is located in a rural county;

2 (d) For site-specific plans, studies, and analyses that address  
3 environmental impacts, capital facilities, land use, permitting,  
4 feasibility, marketing, project engineering, design, site planning, and  
5 project debt and revenue impacts, as grants not to exceed fifty  
6 thousand dollars; or

7 (e) For a project that will not contribute to sprawl and, in  
8 nonrural counties, will support development in or adjacent to areas  
9 with rich transportation infrastructure including: State highways,  
10 arterials, collectors, and distributors and other road capacity  
11 sufficient to meet the traffic needs and traffic congestion levels  
12 anticipated for the new development; and public transit and park and  
13 ride lots sufficient to meet the transport needs of a significant  
14 portion of the anticipated workforce associated with the new  
15 development, special needs services, and other transportation services.

16 (3) An application must demonstrate local match and local  
17 participation.

18 (4) An application must be approved by the political subdivision  
19 and supported by the associate development organization or approved by  
20 the governing body of the federally recognized Indian tribe.

21 (5) The board shall develop guidelines for local participation and  
22 allowable match and activities.

23 (6) The board may allow de minimis general system improvements to  
24 be funded if they are critically linked to the viability of the  
25 project.

26 ~~((+3))~~ (7) An application must demonstrate convincing evidence  
27 that the private sector jobs created after the project is completed  
28 will have wages that exceed the countywide median hourly wage.

29 (8) The board shall prioritize each proposed project according to:

30 ~~((The relative benefits provided to the community by the jobs~~  
31 ~~the project would create, not just the total number of jobs it would~~  
32 ~~create after the project is completed and according to)) The  
33 unemployment rate in the area in which the jobs would be located;  
34 ~~((and))~~~~

35 (b) The rate of return of the state's investment, that includes the  
36 expected increase in state and local tax revenues associated with the  
37 project;

1 (c) Whether the proposed project offers a health insurance plan for  
2 employees that includes an option for dependents of employees; and

3 (d) Whether the public facility investment will also increase  
4 existing capacity necessary to accommodate projected population and  
5 employment growth or accomplish other growth management act  
6 requirements.

7 ~~((4))~~ (9) A responsible official of the political subdivision or  
8 the federally recognized Indian tribe shall be present during board  
9 deliberations and provide information that the board requests.

10 Before any financial assistance application is approved, the  
11 political subdivision or the federally recognized Indian tribe seeking  
12 the assistance must demonstrate to the community economic  
13 revitalization board that no other timely source of funding is  
14 available to it at costs reasonably similar to financing available from  
15 the community economic revitalization board.

16 **Sec. 7.** RCW 43.160.070 and 1999 c 164 s 104 are each amended to  
17 read as follows:

18 Public facilities financial assistance, when authorized by the  
19 board, is subject to the following conditions:

20 (1) The moneys in the public facilities construction loan revolving  
21 account ~~((and the distressed county public facilities construction loan~~  
22 ~~account))~~ shall be used solely to fulfill commitments arising from  
23 financial assistance authorized in this chapter ~~((or, during the 1989-~~  
24 ~~91 fiscal biennium, for economic development purposes as appropriated~~  
25 ~~by the legislature)).~~ The total outstanding amount which the board  
26 shall dispense at any time pursuant to this section shall not exceed  
27 the moneys available from the account~~((s)).~~ ~~((The total amount of~~  
28 ~~outstanding financial assistance in Pierce, King, and Snohomish~~  
29 ~~counties shall never exceed sixty percent of the total amount of~~  
30 ~~outstanding financial assistance disbursed by the board under this~~  
31 ~~chapter without reference to financial assistance provided under RCW~~  
32 ~~43.160.220.))~~

33 (2) On contracts made for public facilities loans the board shall  
34 determine the interest rate which loans shall bear. The interest rate  
35 shall not exceed ten percent per annum. The board may provide  
36 reasonable terms and conditions for repayment for loans, including  
37 partial forgiveness of loan principal and interest payments on projects

1 located in rural counties (~~((or rural natural resources impact areas))~~),  
2 as the board determines. The loans shall not exceed twenty years in  
3 duration.

4 (3) Repayments of loans made from the public facilities  
5 construction loan revolving account under the contracts for public  
6 facilities construction loans shall be paid into the public facilities  
7 construction loan revolving account. (~~((Repayments of loans made from  
8 the distressed county public facilities construction loan account under  
9 the contracts for public facilities construction loans shall be paid  
10 into the distressed county public facilities construction loan  
11 account.))~~) Repayments of loans from moneys from the new appropriation  
12 from the public works assistance account for the fiscal biennium ending  
13 June 30, 1999, shall be paid into the public works assistance account.

14 (4) When every feasible effort has been made to provide loans and  
15 loans are not possible, the board may provide grants upon finding that  
16 unique circumstances exist.

17 **Sec. 8.** RCW 43.160.076 and 1999 c 164 s 105 are each reenacted and  
18 amended to read as follows:

19 (1) Except as authorized to the contrary under subsection (2) of  
20 this section, from all funds available to the board for financial  
21 assistance in a biennium under this chapter (~~((without reference to  
22 financial assistance provided under RCW 43.160.220))~~), the board shall  
23 (~~((spend))~~) approve at least (~~((seventy-five))~~) fifty percent for financial  
24 assistance for projects in rural counties (~~((or rural natural resources  
25 impact areas))~~).

26 (2) If at any time during the last six months of a biennium the  
27 board finds that the actual and anticipated applications for qualified  
28 projects in rural counties (~~((or rural natural resources impact areas))~~)  
29 are clearly insufficient to use up the (~~((seventy-five))~~) fifty percent  
30 allocation under subsection (1) of this section, then the board shall  
31 estimate the amount of the insufficiency and during the remainder of  
32 the biennium may use that amount of the allocation for financial  
33 assistance to projects not located in rural counties (~~((or rural natural  
34 resources impact areas))~~).

35 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.162 RCW  
36 to read as follows:

1 The Washington state economic development commission shall conduct  
2 outcome-based evaluations of the financial assistance provided by the  
3 community economic development revitalization board on a biennial  
4 basis. The commission's review of data for the evaluations shall  
5 include, but not be limited to, the jobs generated or retained upon  
6 completion of funded projects, the wages and health benefits associated  
7 with such jobs, the number and types of projects funded, the total  
8 number of grants and loans made, the amount of state funds and total  
9 capital invested in projects, the number and types of businesses  
10 assisted by funded projects, the location of funded projects, the  
11 transportation infrastructure available for completed projects, the  
12 local match and local participation obtained, and such other data and  
13 performance measures as the commission determines are appropriate. The  
14 evaluations shall be presented to the legislature and the governor by  
15 December 31st of each even-numbered year, with the first evaluation due  
16 December 31, 2008.

17 **Sec. 10.** RCW 43.160.900 and 1993 c 320 s 8 are each amended to  
18 read as follows:

19 (1) The community economic revitalization board shall report to the  
20 appropriate standing committees of the legislature biennially on the  
21 implementation of this chapter. The report shall include information  
22 on the number of applications for community economic revitalization  
23 board assistance, the number and types of projects approved, the grant  
24 or loan amount awarded each project, the projected number of jobs  
25 created or retained by each project, the actual number of jobs created  
26 or retained by each project, the number of delinquent loans, and the  
27 number of project terminations. The report may also include additional  
28 performance measures and recommendations for programmatic changes.  
29 ((The first report shall be submitted by December 1, 1994.))

30 (2) The community economic revitalization board shall provide the  
31 Washington state economic development commission with such information  
32 as is requested for the purpose of conducting the outcome-based  
33 evaluations required under section 9 of this act.

34 **Sec. 11.** RCW 43.160.085 and 2002 c 242 s 3 are each amended to  
35 read as follows:

36 (1) The public works assistance account shall annually transfer

1 funds to the public facilities construction loan revolving account in  
2 amounts as follows: In fiscal year (~~(2003, twelve percent of eighteen~~  
3 ~~million eight hundred ninety thousand seven hundred seventy five~~  
4 ~~dollars, the total outstanding principal and interest associated with~~  
5 ~~the loans issued by the public works board under the timber and rural~~  
6 ~~natural resources programs; and in each of fiscal years 2004, 2005,~~  
7 ~~2006, and 2007, twenty two percent of the principal and interest~~  
8 ~~associated with the timber and rural natural resources programs. In no~~  
9 ~~event may this transfer exceed four million five hundred thousand~~  
10 ~~dollars per year)) 2008, five million dollars; and in fiscal year 2009,~~  
11 five million dollars.

12 (2) This section expires June 30, (~~(2007)~~) 2009.

13 **Sec. 12.** RCW 82.45.060 and 2005 c 450 s 1 are each amended to read  
14 as follows:

15 There is imposed an excise tax upon each sale of real property at  
16 the rate of one and twenty-eight one-hundredths percent of the selling  
17 price. An amount equal to six and one-tenth percent of the proceeds of  
18 this tax to the state treasurer shall be deposited in the public works  
19 assistance account created in RCW 43.155.050. An amount equal to one  
20 and six-tenths percent of the proceeds of this tax to the state  
21 treasurer shall be deposited in the city-county assistance account  
22 created in RCW 43.08.290. An amount equal to three and three-tenths  
23 percent of the proceeds of this tax to the state treasurer shall be  
24 deposited into the public facilities construction loan revolving  
25 account created in RCW 43.160.080.

26 **Sec. 13.** RCW 43.160.080 and 1998 c 321 s 30 are each amended to  
27 read as follows:

28 There shall be a fund in the state treasury known as the public  
29 facilities construction loan revolving account, which shall consist of  
30 all moneys collected under this chapter(~~(, except moneys of the board~~  
31 ~~collected in connection with the issuance of industrial development~~  
32 ~~revenue bonds and moneys deposited in the distressed county public~~  
33 ~~facilities construction loan account under RCW 43.160.220,)) and any  
34 moneys appropriated to it by law(~~(: PROVIDED, That seventy five~~  
35 ~~percent of all principal and interest payments on loans made with the~~  
36 ~~proceeds deposited in the account under section 901, chapter 57, Laws~~~~

1 of 1983 1st ex. sess. shall be deposited in the general fund as  
2 reimbursement for debt service payments on the bonds authorized in RCW  
3 43.83.184)). Disbursements from the revolving account shall be on  
4 authorization of the board. In order to maintain an effective  
5 expenditure and revenue control, the public facilities construction  
6 loan revolving account shall be subject in all respects to chapter  
7 43.88 RCW.

8 **Sec. 14.** 2005 c 425 s 6 (uncodified) is amended to read as  
9 follows:

10 This act expires June 30, ((2011)) 2009.

11 **Sec. 15.** 2006 c 371 s 238 (uncodified) is amended to read as  
12 follows:

13 (1) Section 229 of this act expires June 30, ((2011)) 2009.

14 (2) Section 231 of this act expires June 30, 2007.

15 NEW SECTION. **Sec. 16.** The following acts or parts of acts are  
16 each repealed:

17 (1) RCW 43.160.100 (Status of board) and 1984 c 257 s 3;

18 (2) RCW 43.160.120 (Commingling of funds prohibited) and 1984 c 257  
19 s 5;

20 (3) RCW 43.160.130 (Personal liability) and 1984 c 257 s 6;

21 (4) RCW 43.160.140 (Accounts) and 1987 c 422 s 8 & 1984 c 257 s 7;

22 (5) RCW 43.160.150 (Faith and credit not pledged) and 1984 c 257 s  
23 8;

24 (6) RCW 43.160.160 (Security) and 1984 c 257 s 9;

25 (7) RCW 43.160.170 (Special reserve account) and 1984 c 257 s 10;

26 (8) RCW 43.160.200 (Economic development account--Eligibility for  
27 assistance) and 2004 c 252 s 4, 1999 c 164 s 107, 1996 c 51 s 9, & 1995  
28 c 226 s 16;

29 (9) RCW 43.160.210 (Distressed counties--Twenty percent of  
30 financial assistance) and 1998 c 321 s 31 & 1998 c 55 s 5; and

31 (10) RCW 43.160.220 (Distressed county public facilities  
32 construction loan account) and 1998 c 321 s 9.

1        NEW SECTION.   **Sec. 17.**   Sections 2 through 8, 12, 13, and 16 of  
2   this act take effect July 1, 2009.

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